STATE OF MISSOURI RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES IN GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2003 (In Thousands of Dollars)

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government—vide statement. Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation \$1,009,582 in the current period (Note 5). 259,326 Only the gain (loss) on the sale is reported in the statement of activities, whereas in the governmental funds, the proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balance by the cost of the item sold. (5,128) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets (Notes 6 and 13). Bonds Issued Bond Premiums and Issuance Costs Capital Lease Issued Bond Premiums and Issuance Costs Amortization of Bond Premiums and Issuance Costs Revenues in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (Notes 12 and 13). Amortization of Bond Premiums and Issuance Costs Revenues and therefore are not reported as expenditures in governmental funds (Notes 12 and 13). Amortization of Bond Premiums and Issuance Costs Revenues in Compensated Absences 2,478 Decrease in Compensated Absences 2,478 Decrease in Claims and Judgements Internal Service fun	Net Change in Fund Balances – Total Governmental Funds	\$ 62,275
reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government—wide statement. Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlays \$1,268,908 exceeds depreciation \$1,009,582 in the current period (Note 5). Conly the gain (loss) on the sale is reported in the statement of activities, whereas in the governmental funds, the proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balance by the cost of the item sold. Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the statement of net assets (Notes 6 and 13). Bonds Issued Bond Premiums and Issuance Costs Bond Principal Payments Gapital Leases Issued Bond Principal Payments Gapital Leases Payments Capital Leases Payments Amortization of Bond Premiums and Issuance Costs Qapital Leases Payments Amortization of Bond Premiums and Issuance Costs Qapital Leases Issued Amortization of Bond Premiums and Issuance Costs Qapital Lease Issued Amortization of Bond Premiums and Issuance Costs Qapital Lease Issued Qapital Lease Issued Amortization of Bond Premiums and Issuance Costs Qapital Lease Issued Qapital Lease Issued Amortization of Bond Premiums and Issuance Costs Qapital Lease Issued Qapital Lease Issued Qapital Lease Issued Amortization of Bond Premiums and Issuance Costs Qapital Lease Issued		
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certain Internal Service funds are reported with governmental activities. 36,052	•	
Change in Net Assets of Governmental Activities \$ 488,150	·	 36,052
	Change in Net Assets of Governmental Activities	\$ 488,150

The notes to the financial statements are an integral part of this statement.